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COCOM Country Attitudes
Toward US-Soviet Trade Discussions

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COCOM members almost certainly will endorse the US-Soviet trade discussions in January because of their traditional belief that non-strategic trade with Moscow should be conducted on a business-as-usual basis. Most COCOM members maintain that East-West trade contributes to building mutual trust and that economic incentives generally are more effective in moderating Soviet international behavior than economic sanctions. COCOM governments, however, do not believe that East-West detente can be restored to the level of the 1970s until Moscow significantly changes its hostile policies toward the West. They almost certainly accept that the trade discussions, per se, do not signal a sudden shift in US policy toward the USSR.

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COCOM members, nevertheless, probably would like to believe that these talks--together with the Shultz-Gromyko meeting that same month--reflect a willingness by both sides to consider some relaxation in East-West tensions. This, in turn, could indirectly lead to new trade opportunities with the Soviet Bloc. The USSR and its satellites provide an important export market for COCOM countries--especially for heavy machinery and semi-finished goods--worth about \$22 billion last year. Moreover, West European governments are depending on export sales worldwide to sustain their fledgling economic recovery and believe the East Bloc market offers untapped potential for increased sales. They almost certainly would view favorably any new Soviet contracts for industrial machinery, turn-key plants, or large scale industrial projects.

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COCOM members also probably would like to see the US-Soviet discussions mark the beginning of a trade dialog that eventually will result in the United States reducing pressure on COCOM for tighter trade controls. COCOM is not likely to renege on several measures recently adopted to strengthen its effectiveness, but if prospects for increased US-Soviet

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trade appear bright, COCOM members almost certainly will lobby the United States to abandon the "no exceptions" policy and permit the sale of some proscribed, dual-use goods to the Soviets on a case-by-case basis. They also probably hope that Washington will be receptive to paring additional low-level or outdated items from the COCOM lists. [redacted]

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COCOM members are likely to hope that an improvement in US trade relations with the USSR also will help defuse their own tensions with Washington over unilateral US trade policies aimed at restricting Soviet acquisition of high technology. They believe extraterritorial trade controls that restrict US goods and technology already shipped overseas--such as those applied by Washington during the Siberian pipeline embargo and considered for inclusion in Export Administration Act--do not reflect common strategic concerns and unduly strain relations within COCOM. Moreover, they believe Washington is restricting Western access to US high technology because of technology transfer concerns. According to diplomatic reports, EC officials believe these unilateral trade actions have been the single most disruptive factor in US-West European relations in the 1980s. The EC Commission in October began compiling an inventory of the adverse effects that US export controls have had on West European industries.

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Despite their overall support for the US-Soviet trade discussions, COCOM members almost certainly harbor some suspicion that US actions are, in part, commercially motivated. Some COCOM members are likely to view these discussions as an attempt by Washington to jump into selected Soviet markets--especially numerically controlled machine tools, oil and gas equipment, and low-level computers--to the detriment of West European and Japanese firms. According to numerous diplomatic reports, last year several COCOM members--especially France and Belgium--were upset that Washington announced its new export policy toward China without first consulting COCOM capitals and viewed this shift as a ploy to scoop the China market for sales of US technology. The COCOM partners almost certainly will insist that Washington keep them apprised of any potential shifts in trade policy toward Moscow because of the importance of the Soviet market to Western Europe and Japan. [redacted]

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